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Investing for Good in a Shared Economy

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Socially Responsible Investing (SRI)

[Calvert Investments](#)
[Forbes](#)
[Green Money Journal](#)

Uber

[Company Link](#)
[PBS Story](#)

Lyft

[Company Link](#)

Industry Commentary

[Huffington Post](#)
[NPR Radio Story](#)
[Commentary on Ridesharing](#)

- Good Business Investors is a fictional firm. Any similarity to an actual company is purely coincidental.

Investing for Good in a Shared Economy

Good Business Investors* is a small group of successful entrepreneurs who seek out new and innovative ways to make our community and the world a better place through free enterprise. We are an investment firm that invests in socially responsible business ventures. We are considering a major investment in either [Uber](#) or [Lyft](#), but are wondering about recent concerns regarding [safety](#), [labor](#), and [other issues](#) related to the “gentrification” of the traditional taxi/cab services that provide employment opportunities for immigrants and men who have been displaced from other occupations. We also wonder how such services will impact [struggling public transit systems](#) that traditionally serve the poor and disadvantaged.



Socially responsible investing (SRI) is also known as sustainable or ethical investing and generally considers the Environmental, Social and Governance issues related to a firm. This form of investing aligns the values of the investor with the value that is created through fair and ethical business practices.

Our investment goals include investing in firms that:

- Address social issues while simultaneously generating market-rate returns or better
- Use technology in an innovative way to lessen environmental impacts of traditionally harmful industries
- Build opportunities for historically disadvantaged populations to fully participate in the economy
- Create economic opportunity through innovation and disruptive technology

Founded in March, 2009 in San Francisco, Uber is a ride-sharing app that allows users to request a ride and track their reserved vehicle's location. Operating in 45 countries and more than 200 cities worldwide, Uber states that they are “evolving the way the world moves, and making cities more accessible.” However, Uber has recently come under attack by existing taxi services and governments, from local to federal. (Including Tacoma).

Lyft was founded in San Francisco in 2012 as a ride sharing service of [Zimride](#) and currently serves around 65 US cities, but has plans to continue expanding both domestically and internationally. Lyft describes themselves as “your friend...with a car”, and encourages riders to hop in the front seat and greet the rider with a friendly fist-bump. Lyft, like Uber, has faced regulatory, public relations and other issues. Lyft recently stopped serving [the Tacoma area](#) due to city council actions.

[Price comparisons](#) in various cities have been mixed on whether taxis, Uber, Lyft, or Sidecar (another contender) are the most economical or fastest option.

Your team has been asked to analyze the shared services sector and specifically Uber and Lyft as potential investment options. Given our desire to make a positive financial, social and environmental impact with our investments, we are looking for advice on whether to invest in one of these companies, and if so, which would better serve our mission?

What are the risks? Are there environmental and/or social benefits to this “disruptive technology”? Do benefits outweigh the risks? Would this investment be in alignment with our stated investment goals? These are a few of the questions that you may want to consider, but don’t limit yourself to these.

You have the next 71 hours to develop your presentation to the panel of judges who will represent the management of Good Business Investors. You will have 10 minutes to make your presentation and to convince the panel that your team’s recommendations represent the best course of action at this time. The judges will then have 10 minutes to ask you questions about your recommendations. Be prepared to defend your position in a professional manner.

You may use any [publicly available](#) information about Uber and Lyft (and other similar services), the shared services sector, and trends in corporate social responsibility, sustainability and/or human rights issues. You may not contact any other organizations for additional information.

This case provides you an opportunity to use your knowledge and research skills to explore the issues related to corporate social responsibility, social impact, environmental and social sustainability and multiple other related topics.

The scope of your work should include the Environmental, Social, and Economic implications of our potential investment of \$100 million US dollars. You can look at this from a strategic perspective as well as a tactical perspective, but be clear about why you are making the recommendations and what you think the short and long-term implications will be.

This case description and the attached links are presented solely for the purpose of case study discussion. It is not intended to serve as an illustration of effective or ineffective management.